

SUMMARY OF 2014 WAUPACA COUNTY LIBRARY AIDS BUDGET REQUEST

Submitted by Outagamie Waupaca Library System

July 29, 2013

PROGRAM DESCRIPTION:

Under Wisconsin law, Waupaca County is responsible for providing public library services to county residents who reside outside of communities that maintain their own libraries. In order to provide convenient access to high quality library services, Waupaca County relies on existing municipal libraries to provide countywide library services. The County is also responsible for adequately compensating municipal libraries for this service.

The method and level of funding to be provided by the County to reimburse municipal libraries for serving residents of those jurisdictions in the county that don't operate a public library is specified in the *Waupaca County Library Service Plan*. This budget request is based on the methodology contained in the *Waupaca County Library Service Plan: 2010-2014*, which was approved by the Waupaca County Board of Supervisors on August 18, 2009.

Annually, OWLS collects library use and expenditure data from municipal public libraries and prepares a budget request based on the service plan funding methodology. Funding for the Library Aids budget is raised by taxing the residents of towns and villages that do not maintain public libraries. Residents of cities and villages that operate libraries are exempt from the county library tax. Waupaca County pays its annual library appropriation to OWLS for distribution to the municipal libraries.

BUDGET ISSUES:

Equity

The current system of paying for library services has the potential to be fair and equitable for all parties. Residents of communities with libraries support their libraries through their municipal property taxes, and all other county residents pay for library service as part of their county taxes. However, when the County reimburses municipal libraries for less than their full costs for providing countywide library service (i.e., less than 100% funding), the residents of these municipalities pay higher taxes to subsidize use of their libraries by non-residents.

Levy Limit Exemption

The county library tax is levied only on property in towns and villages that do not operate public libraries. In accordance with Section 66.0602(3)(e)(4), *Wisconsin Statutes*, the amount that the County levies to make payments to public libraries is not included in the County's levy limit. Consequently, Waupaca County has the ability to increase library funding without impacting the levy limit or other county budgets.

Library Use

The overall use of municipal libraries in Waupaca County was down in 2012 (2.6%). However, during the same period the number of items borrowed by residents of towns and villages without libraries decreased 5.5%.

Unit Costs

In most recent years library use has grown faster than library operating costs, decreasing the average cost per circulation. However, in 2012 the combination of a small increase in expenditures (0.8%) and the decrease in circulation resulted in an increase in the cost per circulation (3.3%). While the average cost per circulation was \$2.84 in 2012, it is still less than the high of \$2.95 in 2000.

County Share of Library Service Costs

Excellent progress has been made in recent years toward the goal of compensating municipal public libraries at 100% of their costs for providing countywide library service, as the funding level increased from 82 % in 2008 to 97% in 2013.

Year:	2008	2009	2010	2011	2012	2013	2014
Funding Level:	82.0%	85.2%	88.1%	91.0%	94.0%	97.0%	100%

A goal of the *County Library Service Plan: 2010-2014* is to compensate municipal public libraries at 100% of their costs, based on the county funding formula, by the end of the 5-year period covered by the *Plan* (i.e., 2014). To achieve this goal it was recommended that the county funding level be increased by 3% each year in order to achieve 100% funding by 2014. This goal is only possible because of the levy exemption, and it is understood that the recommended funding methodology would need to be revisited should library payments no longer be exempt from county levy limits.

Because 2012 county circulation decreased by 5.5%, more than the cost per unit increased, Waupaca County's full share of library service costs actually decreased by 2.2%. Consequently, the increase in the 2014 budget request is due entirely to increasing the funding level to 100%.

Library Service is a Bargain for the County

Contracting with municipalities for library service continues to be a bargain for Waupaca County. It is estimated that the owner of a \$100,000 home paying for library service through county taxes would continue to pay less than \$37 in 2014, i.e. less than the cost of two new hardcover books. Even at the 100% funding level, residents living outside of communities with libraries will continue to pay significantly less for the same service than those living in communities with libraries.

Requested 2014 Library Payments

The following table shows the payments made from the 2013 library aids budget and the proposed 2014 payments:

LIBRARY	<u>2013 PAYMENT</u>	<u>REQUESTED 2014 PAYMENT</u>
Clintonville	\$120,795	\$125,977
Fremont	\$27,795	\$31,651
Iola	\$93,238	\$93,082
Manawa	\$92,030	\$92,934
Marion	\$33,697	\$32,308
New London	\$135,310	\$134,705
Scandinavia	\$15,417	\$17,170
Waupaca	\$371,155	\$364,380
Weyauwega	\$45,968	\$50,917
Total	\$935,405	\$943,124
Average Funding Level	97.0%	100.0%

Budget Details

The spreadsheet on the following page contains details of the 2014 library aids budget request.